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WILLIAM J. MCKENNA

FORECLOSURE ORDINARY COURSE OF BUSINESS COUNSEL

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA

IN RE:	)	CASE No. BK-S-06-10725 LBR
	)	CASE No. BK-S-06-10726 LBR
USA COMMERCIAL MORTGAGE	)	CASE No. BK-S-06-10727 LBR
COMPANY,	)	CASE No. BK-S-06-10728 LBR
	)	CASE No. BK-S-06-10729 LBR
USA CAPITAL REALTY ADVISORS,	)	
LLC,	)	JOINTLY ADMINISTERED
	)	
USA CAPITAL DIVERSIFIED TRUST	)	CHAPTER 11 CASES
DEED FUND, LLC,	)	
	)	JUDGE LINDA B. RIEGLE PRESIDING
USA CAPITAL FIRST TRUST DEED	)	
FUND, LLC,	)	<b>DECLARATION OF WILLIAM J.</b>
	)	<b>MCKENNA IN SUPPORT OF</b>
USA SECURITIES, LLC,	)	<b>APPLICATION PURSUANT TO FED.</b>
	)	<b>R. BANKR. P. 2014(a) AUTHORIZING</b>
DEBTORS.	)	<b>THE EMPLOYMENT AND</b>
	)	<b>RETENTION OF FOLEY &amp; LARDNER</b>
	)	<b>LLP AS ORDINARY COUNSEL OF</b>
	)	<b>BUSINESS</b>
	)	
	)	DATE: N/A
	)	TIME: N/A
	)	
	)	AFFECTS: ALL DEBTORS

I, William J. McKenna, hereby declare under penalty of perjury that:

1. I am a partner in the law firm of Foley & Lardner LLP (the "Firm") which maintains offices at 321 N. Clark Street, Suite 2800, Chicago, Illinois 60610.

2. This affidavit is submitted in connection with an order of the United States Bankruptcy Court for the District of Nevada dated October 23, 2006 authorizing USA Commercial Mortgage Company, USA Capital Realty Advisors, LLC, USA Capital Diversified Trust Deed Fund, LLC, USA Capital First Trust Deed Fund, LLC, USA

1 Securities, LLC, debtors and debtors-in-possession herein (each a "Debtor" and  
2 collectively, the "Debtors"), to retain certain professionals in the ordinary course of  
3 business during the pendency of the Debtors' chapter 11 cases. The Debtors have  
4 requested, and the Firm has agreed, to represent and advise the Debtors on foreclosure  
5 matters pursuant to Section 327 of Title 11 of the United States Code, 11 U.S.C. §§ 101  
6 et seq. (the "Bankruptcy Code")

7 3. The Firm uses a comprehensive computer software system to track client  
8 representations and engagements Firm-wide. I caused a "connections check" to be run  
9 of: (a) the 20 largest unsecured creditors of each of the Debtors (b) the top 20 investors  
10 of each of the Debtors; and (c) the professionals retained by the Debtors and Official  
11 Committees. The Firm also sent a firm-wide e-mail to check for any connections to the  
12 Debtors or the bankruptcy judge presiding in this district or any relation to the United  
13 States Trustee in this district, or any person employed in the Office of the United States  
14 Trustee.

15 4. Based upon my review of the connections check report, and to the best of  
16 my knowledge, the Firm and all of its partners and associates, are disinterested persons as  
17 that term is defined in 11 U.S.C. Section 101(14), and pursuant to FRBP 2014(a). Except  
18 as disclosed herein, neither the Firm nor any partners or associates of the Firm are  
19 connected with the Trustee, the Debtors, its creditors, its investors, any other party in  
20 interest, their respective attorneys and accountants, or to this estate, and have no adverse  
21 relation to the bankruptcy judge presiding over this case or the United States Trustee in  
22 this district, or any person employed in the Office of the United States Trustee. Except as  
23 disclosed herein, neither the Firm nor its attorneys represent or hold an adverse interest  
24 with respect to the Debtors, any creditors or to these estates.

25 5. The Firm will advise and counsel the Debtors specifically concerning  
26 foreclosures. The Firm is experienced in bankruptcy proceedings and foreclosures and is  
27 willing to accept as compensation pursuant to October 23, 2006, Order Granting Debtors'  
28 Motion for an Order Authorizing Retention of Professionals Utilized by Debtors in the

1 Ordinary Course of Business (the "Ordinary Course Order").

2 6. To the best of my knowledge, neither the Firm, nor any professional  
3 employed by this Firm, is or was:

- 4 A. a creditor, equity security holder, investor, or insider of the Debtors;
- 5 B. an investment banker for any outstanding security of the Debtors;
- 6 C. an attorney for an investment banker for any outstanding security of  
7 the Debtors; or
- 8 D. a director, officer, or employee of the Debtors or of any investment  
9 banker.

10 7. As part of its diverse nationwide practice, the Firm appears in cases,  
11 proceedings, and transactions involving many different professionals, including  
12 attorneys, accountants, financial consultants, and investment bankers, some of which may  
13 be or represent claimants and parties-in-interest in the Debtors' cases. Based on my  
14 current knowledge of the professionals involved, and except as is disclosed herein, the  
15 Firm does not represent or have a relationship with any attorneys, accountants, financial  
16 consultants, or investment bankers which would be adverse to the U.S. Trustee, the  
17 Debtors, its creditors, its investors, or equity security holders, except that the Firm may in  
18 the past have acted, or may presently be acting, as co-counsel or as local counsel with  
19 some of those attorneys, accountants, financial consultants or investment bankers on  
20 matters wholly unrelated to these cases.

21 8. Notwithstanding the foregoing, the Firm employs approximately 1000  
22 attorneys, and by virtue of its size and expertise in numerous fields, may have  
23 represented, or still represents, unknown entities that might be creditors or parties-in-  
24 interest in these bankruptcy cases. However, those matters or representations are wholly  
25 unrelated to the matters for which the Firm seeks to be retained, and thus, I do not believe  
26 that an actual (or even potential) conflict of interest exists with respect to those matters  
27 for which the Firm seeks to be retained.

28 9. Similarly, the Firm has a large and diversified legal practice which

1 encompasses representation of many financial institutions, commercial corporations, and  
2 creditors. Some of these entities (or affiliates of these entities) are or may be holders of  
3 claims against, and/or interests in the Debtors, or are parties-in-interest in these cases. In  
4 the ordinary course of the practice of law, the Firm and certain of its members, counsel  
5 and associates have in the past represented, currently represent, and from time-to-time in  
6 the future will represent such entities or affiliates of such entities in matters unrelated to  
7 the Debtors' cases. I am not currently aware of any parties-in-interest in these cases  
8 which the Firm has in the past represented or is currently representing in matters, other  
9 than those wholly unrelated to these proceedings.

10 10. Notwithstanding the foregoing, I wish to disclose that the Firm has either  
11 previously represented or still represents several creditors of these bankruptcy estates, or  
12 other parties-in-interest in matters unrelated to these bankruptcy cases. A true and correct  
13 copy of the list of creditors and/or parties-in-interest is attached hereto, marked as Exhibit  
14 "1", and incorporated herein by this reference. None of these representations, however,  
15 are in any way related to the within bankruptcy cases, and thus, do not constitute an  
16 actual (or even potential) conflict of interest. Nor will the Firm undertake to represent  
17 any creditor or party-in-interest in these bankruptcy cases. In addition, the fees from each  
18 of the entities listed on Exhibit "1" constituted less than one-thousandth of one percent of  
19 Foley & Lardner LLP's annual revenue in the last fiscal year. In the event that the Firm  
20 discovers any additional facts bearing on the matters described herein, I will supplement  
21 the information contained in the Application and this declaration.

22 11. Notwithstanding the foregoing, I wish to disclose that the Firm has either  
23 previously represented or still represents an entity adverse to William L. Edwards, an  
24 investor of these bankruptcy estates, in matters unrelated to these bankruptcy cases.  
25 None of these representations, however, are in any way related to the within bankruptcy  
26 cases, and thus, do not constitute an actual (or even potential) conflict of interest. In the  
27 event that the Firm discovers any additional facts bearing on the matters described herein,  
28 I will supplement the information contained in the Application and this declaration.



12. In the event that a conflict regarding these claims later develops, the Firm will assist the Debtors to obtain separate counsel to resolve specific issues related to allegations of any potential or actual conflicts of interest involving the Firm, should they arise. The Firm could continue to represent the Debtors in all other matters. As such, no conflict presently exists.

13. I also wish to disclose that the Firm will seek payment of fees and expenses from the bankruptcy estate pursuant the Ordinary Course Order.

14. The Debtors desire to employ the Firm on an hourly basis and not on a contingent fee arrangement. The Firm will only accept compensation from the bankruptcy estates pursuant to the Ordinary Course Order. Compensation payable to the Firm will be based upon a combination of factors, including, without limitation, its normal hourly fees charged to clients which pay the Firm monthly, as those fees are adjusted from time to time, experience and reputation of counsel, time expended, results achieved, novelty and difficulty of matters undertaken, including time limitations imposed, preclusion from other employment, the nature and length of the professional relationship and awards in similar cases.

15. The various hourly billing rates for the Firm's attorneys and support staff are as follows:

Partners	\$450-\$680
Associates	\$260-\$415
Paraprofessionals	\$65-\$155

16. The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Other attorneys and legal assistants may from time-to-time perform legal services in connection with the matters herein described.

17. In addition, below is a list of rates for reimbursable expenses charged by the Firm:

Photocopying:	\$0.15/page
Faxing:	\$0.50/page sent plus actual costs for telephone charges

Telephone Calls: Actual cost

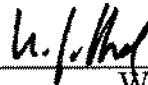
FedEx/USPS: Actual cost

18. The expenses set forth above may change from time to time. It also bears noting that the Firm ordinarily charges \$.50 per page for outgoing facsimile charges, and imposes a service charge of \$1.50 for all long-distance charges exceeding one minute in length to recoup its overhead. The Firm does not charge for incoming facsimiles.

19. The Firm intends to submit for compensation and reimbursement of expenses in accordance with the Ordinary Course Order.

20. The Firm has neither shared, nor agreed to share, any compensation for this engagement with any other person except as among the members of the Firm.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that this declaration is being executed at Chicago, Illinois, on this 13 day of November, 2006.



William J. McKenna

**EXHIBIT "1"****LIST OF CONNECTIONS**

Applicant uses a comprehensive computer software system to track client representations and engagements Firm-wide. Applicant caused a "connections check" to be run of: (a) the 20 largest unsecured creditors of each of the Debtors (b) the top 20 investors of the each of Debtors; and (c) the professionals retained by the Debtors and Official Committees. The Firm also sent a firm-wide e-mail to check for any connections to any bankruptcy judge presiding in this district or any relation to the United States Trustee in this district, or any person employed in the Office of the United States Trustee.

Based upon this connections check, Applicant discloses that it has represented the following creditors in matters unrelated to the bankruptcy cases that may have claims against the bankruptcy estates:

**CURRENT CLIENTS**

1. The Firm has previously represented and still represents Bank of America, Wells Fargo Bank, U.S. Bank, Citibank, creditors in these cases, in matters wholly unrelated to these bankruptcy cases. None of these representations, however, are in any way related to these bankruptcy cases, and thus, do not constitute an actual (or even potential) conflict of interest. It also bears noting that the fees generated from each of the aforementioned clients constituted less than one-thousandth of one percent of the Firm's annual revenue in the last fiscal year.